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AUDIT FINDS COUNTIES JEOPARDIZED CRIME VICTIM FUNDS

Failure to Collect Restitution Means Victims Program Could Run Short of Cash

Sacramento, CA – State Controller Steve Westly today released an <u>audit</u> that found several California counties are mismanaging an incentive program designed to help bring in more money for victims of crime.

"California's Victim Compensation Board provides important financial help to crime victims and their families, and we need to collect every possible dollar to help these people," Westly said. "This audit shows counties need to improve their collection efforts so money keeps flowing into the fund."

The Victim Compensation and Government Claims Board (Board) pays victims of crime with funds collected from court-ordered restitution and other fees and penalties. These funds are collected by counties. The incentive program gives counties a 10% rebate of the restitution they collect and also allows them to collect a 10% administration fee to offset their collection costs.

The rebate is supposed to go directly to the counties' collection departments to reward and encourage their collection efforts.

The Controller's audit found five counties failed to pass on the rebate to their collection departments and that six counties failed to collect or properly account for the administration fee.

The Board, of which Westly is a member, requested and paid for the audit in hopes of identifying additional funding for victims. At one point, the Victims Compensation Board had nearly exhausted all funding, so the incentive program was created to encourage collections.

"California's crime victims are the ones who lose out if counties don't collect what's owed. We created incentives to offset their costs and give cash back, and it's time for counties to step up," Westly said.

The Controller's office reviewed six counties selected by the Board, including <u>Alameda</u>, <u>Napa</u>, <u>Los Angeles</u>, <u>San Francisco</u>, <u>Santa Clara</u> and <u>Ventura</u>. The audit covered the period of July 1, 2001 to June 30, 2002.

--For copies of the audits reports, please contact Steven Fisher at (916) 445-2636--